



## The Chhattisgarh Krishi Upaj Mandi (Amendment) Adhiniyam, 2005

Act 9 of 2006

**Keyword(s):**

Contract Farming, Market Area, Market Produce, Agricultural Produce

Amendment appended: 4 of 2007

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## CHHATTISGARH ADHINIYAM

(No. 9 of 2006)

## THE CHHATTISGARH KRISHI UPAJ MANDI (AMENDMENT) ADHINIYAM, 2005

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CHHATTISGARH ADHINIYAM  
(No. 9 of 2006)

THE CHHATTISGARH KRISHI UPJ MANDI (AMENDMENT)  
ADHINIYAM, 2005

An Act further to amend the Chhattisgarh Krishi Upaj Mandi Adhiniyam, 1972  
(No. 24 of 1973)

Be it enacted by the Chhattisgarh Legislature in the fifty-sixth year of the Republic of the India as follows :-

- |    |  |  |                                |
|----|--|--|--------------------------------|
| 1. | (1)  | This Act may be called the Chhattisgarh Krishi Upaj Mandi (Amendment) Act, 2005.   | Short title and Commencement.  |
|    | (2)  | It shall come into force from the date of its publication in the official gazette.   |                                |
| 2. |  | In sub-section (1) of Section 2 of the Chhattisgarh Krishi Upaj Mandi Adhiniyam, 1972 (No. 24 of 1973) (hereinafter referred to as the Principal Act), -   | Amendment of Section 2.        |
|    | (i)  | After clause (cc) the following clause shall be inserted namely :-   |                                |
|    | (ccc)  | "Contract farming" means farming of agriculture produce on contract basis by a person on his land under a written agreement with another person to the effect that his farm produce should be purchased at a rate specified in the agreement ;   |                                |
|    | (cccc)   | "Contract farming agreement" means the agreement made for contract farming between contract farming buyer and contract farming producer ;  |                                |
|    | (ccccc)  | "Contract farming Producer" means a person obtaining agricultural produce on his land under a written agreement of contract farming ;  |                                |
|    | (cccccc)                                       | "Contract farming buyer" means a person, company or partnership firm who purchases agricultural produces from contract farming producer under a written agreement of contract farming.   |                                |
| 3. |  | After Section 32 of the Principal Act, the following Section shall be inserted, namely :-  | Insertion of new Section 32-A. |
|    | " 32-A, Licence for more than one market area" | (1) Every person specified in section 31 who desired to operate in more than one market areas, shall apply to such authority/ officer notified by the State Government for grant of a licence or renewal thereof in such manner and within such period and on such conditions as may be prescribed in the rules. |                                |
|    |  | (2) The authority/officer notified by the State Government may grant or renew the licence or for reasons to be recorded in writing, refuse to grant or renew the licence.  |                                |
|    |  | (3) All licence granted or renewed under this section shall be subject to the provisions of this Act and the rules and bye-laws made there under.  |                                |

Amendment of  
Section 36.

4. (1) For sub-section (1) of section 36, of the Principal Act, the following sub-section shall be substituted, namely :-

" (1) All notified agricultural produce brought into the market proper for sale shall, subject to the provisions of sub-section (2), be sold in the market yard/yards specified for such produce or at such other place as provided in the bye-laws."

Provided that it shall not be necessary to bring agricultural produce, Produced under contract farming, in the market yard and it shall be sold at any other place to the person agreed to purchase the same under agreement."

(2) For sub-Section (4) of section 36, the following sub-section shall be substituted, namely :-

" (4) Weighment or measurement of all the notified agricultural produce so purchased shall be done by such licensee-weighman by and by such procedure as may be provided in the bye-laws or some market yard or any other place specified by the market committee for the purpose."

" Provided that the weighment, measurement or counting as the case may be, of plantain, Papaya or any other perishable agricultural produce as may be specified by the State Government, by notification shall be done by a licensed weighman in the place where such produce has been grown."

Amendment of  
Section 37.

5. In sub-section (3) of Section 37 of the Principle Act, after the words "market yard" the words " or such other place as provided in the bye-laws" shall be added.

Insertion of  
New Section 37-A.

6. After Section 37 of the Principal Act, the following Section shall be inserted, namely :-

" 37-A: Regulation  
of marketing of  
notified agricultural  
produce under  
contract farming"

(1) The contract farming shall be performed under a written agreement (in model form shown in Schedule-A) between Producer and Buyer of Produce of contract farming in such manner and in accordance with such procedure as may be prescribed in the bye-laws.

**Explanation** - For the purpose of this Section "Producer and Buyer" means the person who respectively produce and buy agricultural produce under a written agreement of contract farming.

(2) The buyer shall submit an application for registration of the written agreement of contract farming to the market committee. The Market Committee shall register it in such manner and on such terms and conditions as may be prescribed by the bye-laws.

(3) If any dispute arises between the parties in respect of provisions of the agreement the either party may submit an application to the Chairman of Market Committee to arbitrate upon the disputes. The Chairman of the Market Committee shall resolve the dispute after giving the parties a reasonable opportunity of being heard.

(4) The Party aggrieved by the decision of the Chairman of the Market Committee under sub-section (3) may prefer an appeal to the Managing Director or the officer authorized by him in this behalf within thirty days from the date of decision. The Managing Director or the officer authorized by him shall dispose of the appeal after giving the parties a reasonable opportunity of being heard and the decision of the Managing Director or the officer authorized by him shall be final.

(5) The agricultural produced under contract farming shall be sold to the buyer out of the market yard as may be prescribed by the bye-laws. The market fees shall be payable by the buyer of agricultural produce at the rates prescribed under section 19 in such manner as may be prescribed by bye-laws.

7. For clause (f) and clause (g) of sub-section (1) of Section 41 of the principal Act, the following clauses shall be substituted, namely :- Amendment of Section 41.

" (f) Two members of the Chhattisgarh Legislative Assembly, out of which one shall be woman, nominated in consultation with the Speaker of the Legislative Assembly ;

(g) Three Chairmen of market Committees, out of which one shall be woman."

8. After clause (x-e) of the Section 44 of the principal Act, the following clause shall be inserted, namely :- Amendment of Section 44.

"(x-ee) with the Prior sanction of the State Government to give grant to "Chhattisgarh Go-Seva Ayog" for maintenance of Goshalas and old Cattles".

## Model Agreement for Contract Farming

(All clauses of the agreement are subject to the respective explanatory notes given under "contents of a model contract farming agreement")

This Agreement is made and entered into at.....on the.....day of.....20.....between.....age.....residing at.....herein after called the party of the First part (which expression shall unless repugnant to the context or meaning thereof mean an include his heirs, executors, administrators and assigns) of the one part and M/s.....a Pvt./ Public Limited Co. incorporated under the provisions of Companies Act, 1956 and having its registered office at.....hereinafter called the party of the Second part (which expression shall unless repugnant to the context or meaning thereof mean and include its successors and assigns) of the other part.

WHEREAS the party of the First part is the owner/cultivator of the agricultural land bearing the following particulars.

Village	Gut No.	Area in Hectare	Tehsil & Dist.	State

AND WHEREAS the party of the Second part is trading in agricultural produce and also providing technical know-how in respect of land preparation nursery, fertilization, pest management, irrigation, harvesting and alike things.

AND WHEREAS the party of the Second part is interested in the items of the agricultural produce more particularly mentioned in Schedule-I hereto annexed and at the request of the party of the Second part, party of the First part has agreed to cultivate and produce the items of agricultural produce mentioned in the schedule-I hereto annexed.

AND WHEREAS the parties hereto have agreed to reduce in writing the terms and condition in the manner hereinafter appearing.

NOW, these presence witness and it is hereby agreed by and between the parties as follows :-

### Clause-1

The party of the First part agrees to cultivate and produce and deliver to the party of the Second part and the party of the Second part agrees to buy from the party of the first part the items of the agricultural produces particulars of the items quality, quantity and price of the items are more particularly mentioned in the schedule I hereto annexed.

### Clause-2

The agricultural produce particulars of which are mentioned in the schedule-I hereto will be supplied by the party of the First part to the party of the Second part within the period of.....months/years from the date hereof.

OR

It is expressly agreed between the parties hereto that this agreement is for agricultural produce particulars of which are described in schedule-I hereto and for a period of.....months/years and after the expiration of said period this agreement will automatically come to an end.

### Clause-3

The party of the First part agrees to cultivate produce and supply quantity mentioned in the schedule-I hereto annexed to the party of the Second part.

**Clause-4**

The party of the First part agrees to supply the quantity contracted according to the quality specifications stipulated in Schedule-I. If the agricultural produce is not as per the agreed quality standards, the party of the Second part will be entitled to refuse to take the delivery of the agricultural produce only on this count, Then-

- (a) The party of the First part shall be free to sell the produce to the party of the Second part at a mutually renegotiated price.

OR

- (b) In open market ( to bulk Buyer viz. exporter/processor/ manufacturer etc.) and if he gets a price less than the price contracted he will pay to the party of the Second part for his investment proportionately less.

OR

- (c) In the Market yard and if the price obtained by him is less than contracted price then he will return proportionately less for the party of the Second investment.

In the event the party of the Second part refuses/fails to take the delivery of the contracted produce for his own reasons then the party of the First part will be free to sell the produce in the open market and if the price received is lower than the contracted price the difference will be on account of the party of the Second part and the party of the second part shall pay the said difference to the party of the First part within a period of .....days from asserting the said difference.

**Clause-5**

The party of the First part agrees to adopt instructions/ practices in respect of Land preparation, nursery, fertilization, pest management, irrigation, harvesting and any other, as suggested by the party of the second part from time to time and cultivate and produce the items as per specifications mentioned in the schedule-I hereto.

**Clause-6**

It is expressly agreed by and between the parties hereto that buying will be as per the following terms and buying slips will be issued immediately after the purchase.

Date	Delivery Point	Cost of Delivery

It is further agreed that it will be the responsibility of the party of the Second part to take into possession of the contracted produce at the delivery point agreed after it is offered for delivery and if he fails to take delivery within .....period then the party of the First part will be free to sell the agriculture produce contracted as under :-

- (a) In open market (bulk buyer viz. exporter/processor/ manufacturer etc.) and if he gets a price less than the price contracted he will pay to the party of the Second part for his investment proportionately less.

- (b) In the market yard and if the price obtained by him is less than contracted price then he will return proportionately less to the party of the Second part for his investment.

It is further agreed that the quality maintenance in transit will be the responsibility of the party of the Second part and the party of the First part shall not be responsible or liable for the same.

**Clause-7**

The party of the second part shall pay to the party of the First part the price/ rate mentioned in Scheduled-I when his crop has been harvested and delivered to the party of the Second part after deducting all outstanding advances given to the party of the First part by the party of the Second part. The following schedule shall be followed for the payment.

Date	Mode of Payment	Place of Payment

**Clause-8**

The parties hereto shall insure the contracted produce mentioned in Schedule-I hereto, for the period of..... against the risk of losses due to acts of Gods destruction of specified assets, loan default and production and income loss and all other acts or events beyond the control of the parties, such as very low production caused by the serious outbreak of a disease, epidemic or by abnormal weather condition, floods, drought, hailstorm, cyclones, earthquakes, fire or other catastrophes war, acts of Government, action existing on or after the effective date of this agreement which prevent totally or partially the fulfilment of the obligation of the farmer Upon request, the party of the First part invoking such acts shall provide to the other party confirmation of the existence of facts. Such evidence shall consist of a statement of certificate of the appropriate Governmental Department. If such a statement or certificate cannot reasonably be obtained the party of the First part claiming such acts may as substitute, thereof, make a notarial statement describing in details the facts claimed and the reasons why such a certificate or statement confirming the existence of such facts. Alternatively subject to the mutual agreement between the two parties the party of the First part may fill his quota of the produce through other sources and the loss suffered by him thereby due to price difference shall be shared equally between the parties, after taking into account the amount recovered from the insurance company. The insurance premium shall be shared equally by both the parties.

**Clause-9**

The party of the Second part hereby agrees to provide following services to the party of the First part during the period of cultivation and post harvest management particulars of which services are as follows.

- 1.
- 2.
- 3.
- 4.
- 5.

**Clause-10**

The party of the Second part agrees to have regular interactions with the farmers forum set up/named by the party of the First part during the period of contract.

**Clause-11**

The party of the Second part at their costs shall have the right to enter the premises/fields of the party of the First part to monitor farming practices adopted and the quality of the produce from time to time.

**Clause-12**

The party of the Second part confirms that he has registered himself with the Registering Authority.....on.....and shall pay the fees in accordance with the law prevailing in this regard to the Registered authority which has jurisdiction to regulate the marketing of agriculture produce which is cultivated on the land described.....

OR

The party of the Second part has registered himself on.....with a single point registration Authority namely.....prescribed by the State in this regard. The fees levied by the respective Registering Authority shall be borne by the party of the Second part exclusively and will not be deducted in any manner whatsoever from the amounts paid to the party of the First part.

**Clause-13**

The party of the Second part will have no rights whatsoever as to the Title Ownership, Possession of the land/ property of the party of the First part nor will it in any way alienate the party of the First part from the land property particularly nor mortgage, lease, sublease or transfer the land property of the First party in any way to any other person/ institution during the continues of the agreement.

**Clause-14**

The party of the Second part shall submit true copy of this agreement signed by both the parties within a period of 15 days from the date of execution thereof with the.....market committee/registering authority as required by the APMR Act/ any other registering authority prescribed for the purpose.

**Clause-15**

Dissolution, Termination/Cancellation of the contract will be with consent of both the parties. Such dissolution, termination/cancellation deed will be communicated to the registering authority within 15 days of such dissolution termination/cancellation.

**Clause-16**

In the event of any dispute or difference arising between the parties hereto or as to the rights and obligations under this agreement or as to any claim monetary or otherwise of one party against the other of as to the interpretation and effect of any terms and conditions of this agreement such dispute or difference shall be referred to arbitration authority constituted for the purpose of Authority declared by State Government in this regard.

**Clause-17**

In case of change of address of any party to this agreement it should be intimated to the other party and also to the Registering Authority.

**Clause-18**

Each party hereto will act in good faith diligently and honestly with the other in the performance of their responsibilities under this agreement and nothing will be done to jeopardize the interest of the other.

In witness whereof the parties have signed this agreement on the.....day.....month and.....year first above mentioned.

SIGNED, SEALED AND DELIVERED by the  
with in named "PARTY OF THE FIRST PART"  
in the presence of.....

1.....

2.....

SIGNED, SEALED AND DELIVERED by the  
with in named "PARTY OF THE SECOND PART"  
in the presence of.....

1.....

2.....

## SCHEDULE—I.

## Grade, Specification, Quantity and Price Chart

Grade	Specification	Quantity	Price/Chart
Grade 1 or A	Size, colour, Aroma etc.		
Grade 2 or B			

**CHHATTISGARH ACT**  
(No. 4 of 2007)

**THE CHHATTISGARH KRISHI UPAJ MANDI (AMENDMENT) ACT, 2007**

An Act further to amend the Chhattisgarh Krishi Upaj Mandi Adhiniyam, 1972 (No. 24 of 1973).

Be it enacted by the Chhattisgarh legislature in the Fifty-Eighth year of the Republic of India as follows :-

- |    |     |   |                               |
|----|-----|---|-------------------------------|
| 1. | (1) | This Act may be called the Chhattisgarh Krishi Upaj Mandi (Sanshodhan) Adhiniyam, 2007.   | Short title and Commencement. |
|    | (2) | It shall come into force from the date of its publication in the Official Gazette.  |                               |
| 2. |     | For sub-section (2) of Section 38 of the Chhattisgarh Krishi Upaj Mandi Adhiniyam, 1972 (No. 24 of 1973) (hereinafter referred to as Principal Act), the following shall be substituted, namely :—<br><br>"All money received in the market committee fund and other sums specified in sub-section (1) shall be deposited in a Cooperative Bank, which fulfils the conditions of section 11 (1) of Banking Regulation Act, 1949 or in Post Office or in any of such eligible Banks as specified by the State Government." | Amendment of Section 38.      |
| 3. |     | For sub-section (7) of Section 43 of the Principal Act, the following shall be substituted, namely :—<br><br>"All money received by the Chhattisgarh State Marketing Development Fund, shall be deposited in a Cooperative Bank, which fulfils the conditions of section 11 (1) of Banking Regulation Act, 1949 or in Post Office or in any of such eligible Banks as specified by the State Government."   | Amendment of Section 43.      |